

**Evaluation of the Implementation of
the Paris Declaration on Aid
Effectiveness:
United States Government and
International Synthesis Report
February 2010 – January 2011**



US Study Managed by:
Office of the Director of U.S. Foreign
Assistance at the Department of State
US Study Conducted by:
Social Impact, Inc.
International Study Conducted by:
IOD/PARC



USAID
FROM THE AMERICAN PEOPLE

Outline of Presentation:

Overview of International Evaluation and USG's participation.....Peter Davis

Discussion of US Evaluation.....Richard Blue

Status of International Report.....Peter Davis

Q & A

USG Paris Declaration Evaluation

Background

- Paris Declaration (PD) consists of 5 principles of aid effectiveness drawn from 56 commitments based on development experience.
 - Country Ownership
 - Alignment
 - Harmonization
 - Managing for Results
 - Mutual Accountability
- Endorsed in 2005 by 90 countries - now almost 200.
- Global PD evaluation (30 developing country and 20 donor studies) to be presented in Korea in December 2011.



USG Paris Declaration Evaluation

Introduction to Study

- Objective: Assess the USG's commitment to, and efforts towards, implementing the Paris Declaration.
- Scope of Work
 - Commitment;
 - Capacity;
 - Incentives and Disincentives;
 - Coherence (from Generic ToR for Donor Studies)



Methods

USG Evaluation used a Mixed Method Case Study approach combining

- Document review
- Time series analysis of budget
- Analysis of Agency program design and implementation procedures
- Over 120 Key Informant Interviews
- Survey of 140 USG Missions w/ USAID and DOS as leading respondents

Methodological Issues:

- PD is in the air, but not yet on the ground
- Availability of Key Informants
- Transitional political environment
- Comparing PD branded processes with “PD Like” processes.
- Navigating and understanding different bureaucratic cultures.
- Reducing bias



Findings

Awareness and Commitment:

- Several agencies communicated the PD to staff soon after its endorsement in early 2005 but, with the exception of Millennium Challenge Corporation (MCC), the PD was not translated into operational policy and widespread staff understanding and commitment.
- Beginning in 2008, USAID took more active steps to expand awareness and examine constraints of the PD and AAA.
- U.S. Global Development Policy (PPD) and QDDR informed by PD and AAA. Gave USG-wide management structure to the 3 Presidential Initiatives.
- Majority of KIs conversant with aid effectiveness principles, in general, and describe efforts to improve their own program's aid effectiveness (though not labeling the construct Paris Declaration, as such).



Findings (Cont.)

Capacity:

- Capacity required to implement PD within the agencies is underestimated
- Agency capacity strengthening tends to focus on meeting USG requirements rather than strengthening host country capacities with regard to PD principles.

Incentives/Disincentives:

- Following PD fully would impose a very different set of procedural requirements and practices for agencies.
- Explicit priority is given to PD principles by the PPD on Global Development and new USAID procurement and procedures guidance.



Findings (Cont.)

Coherence:

- Multiple objectives of US Foreign Policy create potential for contradictory policies undermining development objectives

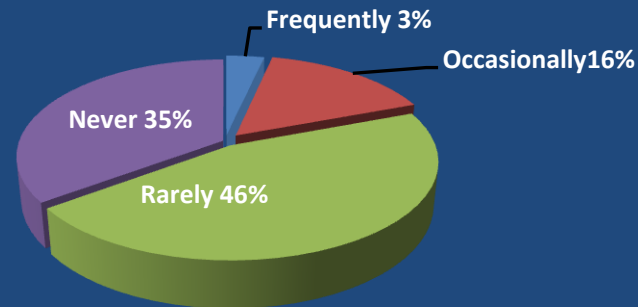
Example cited by KIs:

- Bumpers Amendment
- Foreign Assistance vs. ODA

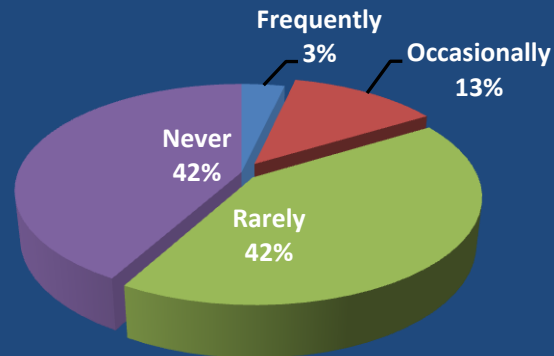


Survey Findings (Cont.)

USAID/State: "How common is it to use the recipient country's own systems for Procurement (of goods and services relevant to development projects)?" N=58



USAID/State: "How common is it to use the recipient country's own accounting and financial management systems?"



Key Conclusions

- USG is motivated and actively trying to reform not only aid effectiveness policies but also implementation practices shown through the PPD and QDDR and the 3 Presidential Initiatives.
- Lack of organizational structure and tensions b/t the 3 D's affect coherence and consistency of USG foreign assistance policies
- Aspects of PD may not apply in situations of fragility, lack of accountable governance, or immediate post-conflict
- Unlikely that USG will ever achieve full compliance with the PD and AAA.



Key Considerations

Overall:

- Monitor New USAID reforms for success and applicability to other agencies

Awareness and Commitment:

- Executive Branch and leaders of each agency must give a forceful/consistent statement on the USG commitment to the PD.
- Deliberate efforts need to be made to increase mid-level management and program/project implementing staff awareness of PD.
- Accelerate efforts to reduce accountability risks associated with using PD in implementing foreign assistance.

Capacity:

- Agencies must assess the capacity required to provide effective host country capacity-strengthening assistance. This includes planning and/or implementing fiduciary systems, donor coordination, and monitoring and evaluation for MfR.



Key Considerations

Incentives/Disincentives:

- Guidance giving an analysis of favorable and unfavorable conditions for implementation of the different components of PD principles
- Work with Congress to eliminate or ameliorate those requirements that inhibit implementation of PD principles.

Coherence:

- Resolve definitional confusion about types of Foreign Assistance guided by aid effectiveness principles



THE EVALUATION OF THE PARIS DECLARATION

Synthesis Report

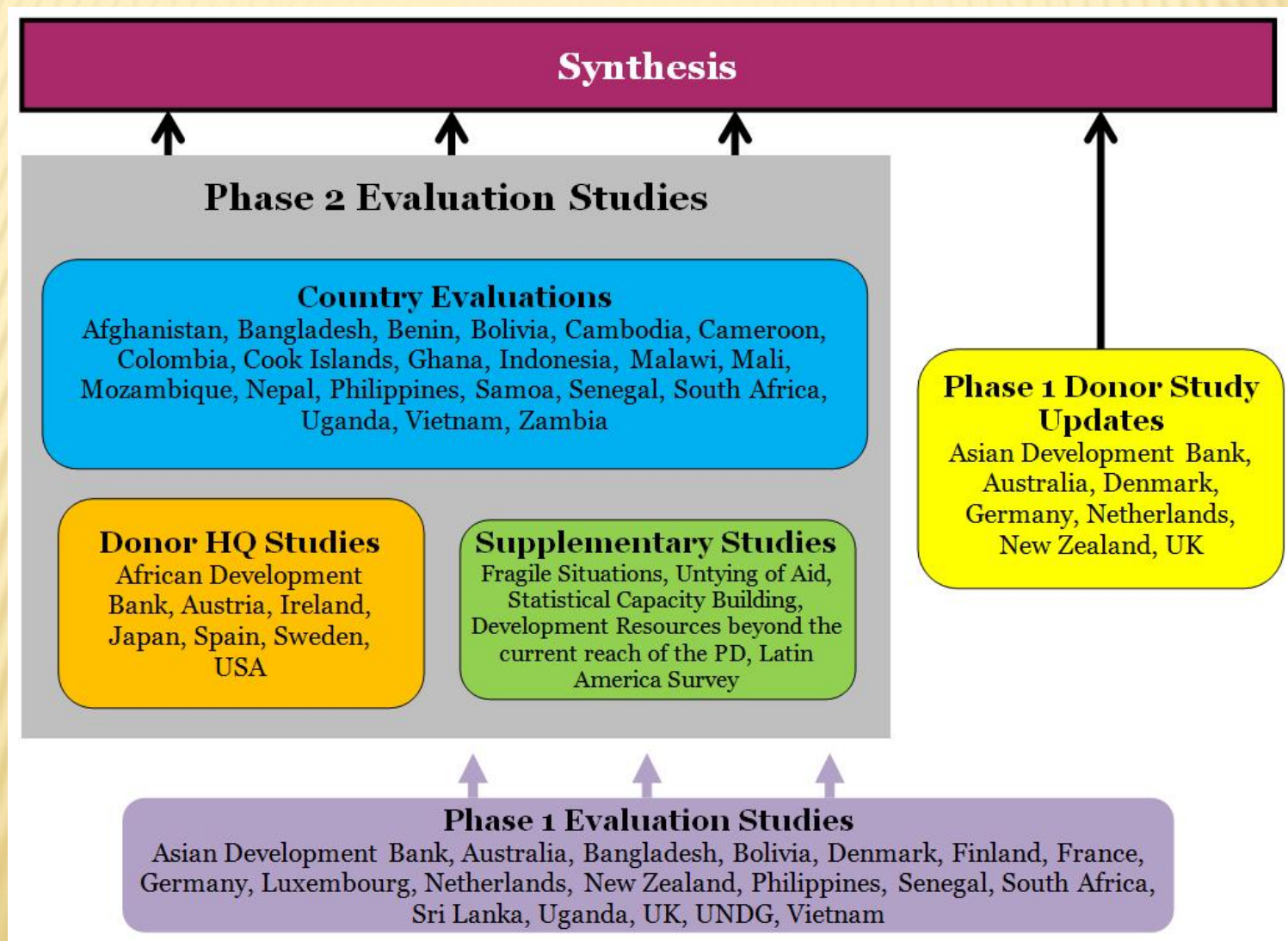
May, 2011

Evaluation of the Paris Declaration

STRUCTURE OF PRESENTATION

1. Summary of main conclusions of the Evaluation
2. Key findings
 - × Aid and aid reform in the bigger picture
 - × Aid effectiveness since 2000-2005
 - × Contributions to development results
3. Main recommendations to policy-makers
4. The background, process and limits for the Evaluation
5. Key areas for work beyond the Evaluation

EVALUATION COMPONENTS



SECTION 1

SUMMARY OF MAIN CONCLUSIONS

MAIN CONCLUSIONS 1

Relevance of the Declaration and its implementation?

- ✘ Has proven relevant to all the diverse countries and agencies involved, but in different ways and to different degrees. All started reforms before 2005.
- ✘ **For partner countries** - Slow and varied implementation but overall reforms have now generally taken hold. Reforms serve wider national needs than aid alone, and momentum has held up through political changes and crises.
- ✘ **For donors** – Much more uneven implementation. With some striking exceptions, donors have been risk-averse and slow to make the less demanding changes expected of them. Peer pressure and collective action are not yet embedded in systems.
- ✘ The nature and place of aid itself is changing – new actors, new forms of co-operation, new partnerships needed.

Implementation of the principles?

- ✘ **Country ownership** has advanced farthest
- ✘ **Alignment** and **harmonisation** improved unevenly.
- ✘ **Mutual accountability** and **managing for results** lagging most
- ✘ Action on mutual accountability is now **the most important need** - backed by transparency and a realistic acceptance & management of risks

MAIN CONCLUSIONS 2

What achievements for aid effectiveness and development results?

Aid effectiveness

Progress towards the 11 outcomes set in 2005 (though timeframe unrealistic)

- Improving the management and use of aid

- Improving the quality of aid partnerships

- Supporting rising aid volumes

- No reduction of aid burdens / improvements in efficiencies (but better quality of aid overall)

Development results

- Evidence - particularly in health - of significant contributions of aid and reforms

- Little progress in most countries in giving greater priority to the needs of the poorest - national commitment and action a pre-requisite

- Some contributions to the long-term strengthening both of institutional capacities for development and more to social capital.

- Aid modalities remain mixed, joint approaches at the sectoral level have improved contributions to development results

MAIN CONCLUSIONS 3

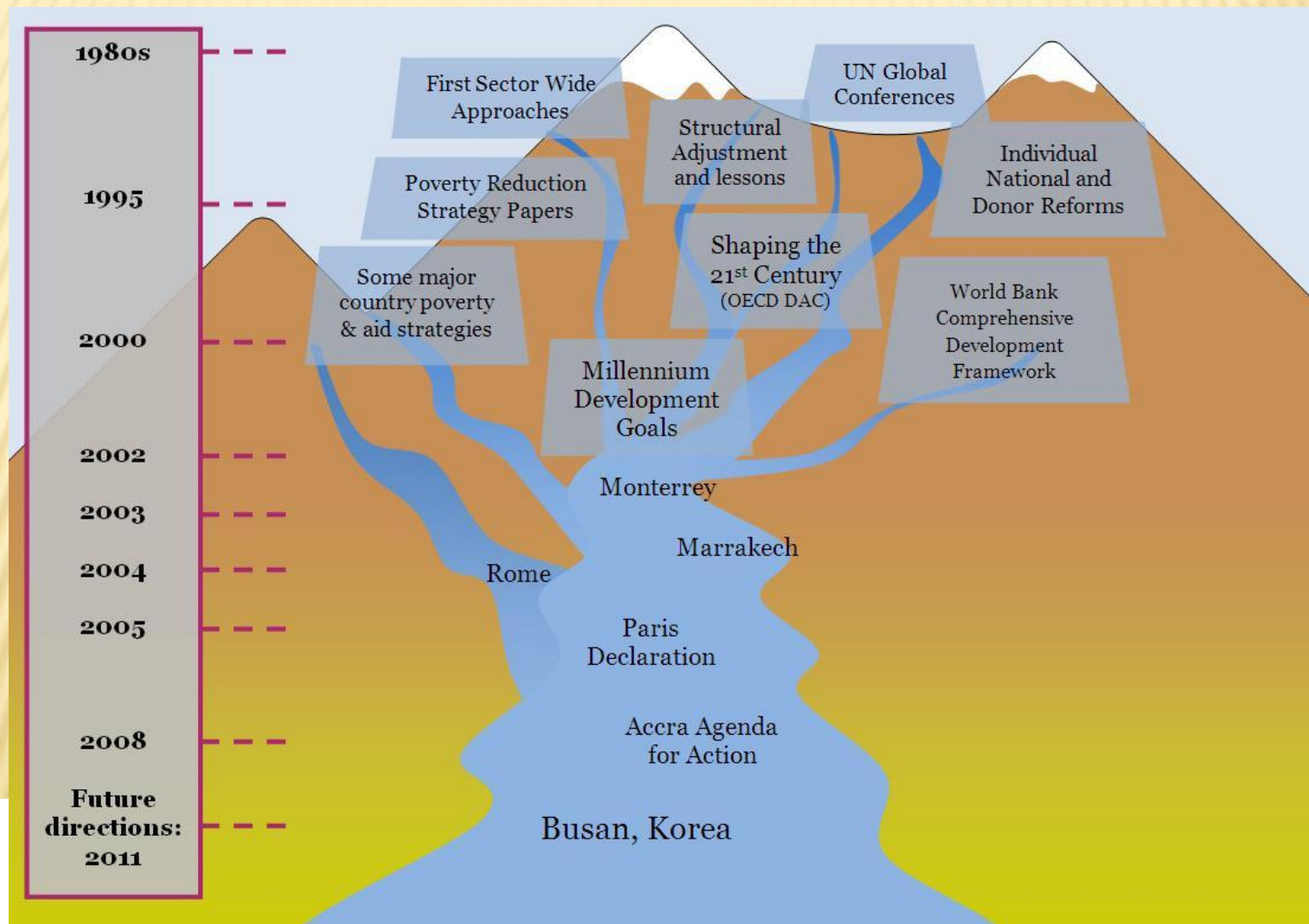
What has the aid reform campaign achieved?

- ✘ Now more focused global attention on relevant problems and remedies – succeeded as an international “compact” for reform
- ✘ Compared with 20 to 25 years ago, aid now far more transparent and less “donor-driven.” Since 2005 scattered reforms have become widespread norms
- ✘ Raised expectations for change, strengthened agreed norms and standards of better practice and partnership. Legitimised demands for norms of good practice to be observed
- ✘ Sustainability – Paris reform agenda now seen to serve more important needs than aid management
- ✘ A platform for the future – applying and adapting the disciplines of aid reform to new forms of development co-operation

SECTION 2

KEY FINDINGS ON CORE QUESTIONS

FIG. 2: THE AID REFORM CAMPAIGN



CONTRIBUTIONS TO AID EFFECTIVENESS I

- ✗ Pulled together and focused global attention on ambitious, experience-based measures to improve development cooperation and aid
- ✗ Clarified the roles of 'aid' and 'better aid'
- ✗ Strengthened global norms of good practice
- ✗ Helped progress towards the 11 outcomes set in 2005 (see Fig. 3)
- ✗ Improved quality of aid partnerships and supported rising aid volumes
- ✗ Better progress among partner countries than among donors, who (with some striking exceptions) have been too uncoordinated and risk averse

CONTRIBUTIONS TO AID EFFECTIVENESS II

Summary findings on the 11 expected outcomes (clustered under Accra priorities):

- ✦ ***Making aid delivery more efficient:*** Mixed picture so far. Little reduction to date in aid management burdens where Declaration-style cooperation applied - and a few examples of increased burdens. Original hopes of rapidly reduced burdens were unrealistic.
- ✦ ***Management and use of aid:*** Aggregate standards are rising, especially compared to pre-2005. Significant contributions from Declaration-style aid. Global programmes still insufficiently integrated, but some are delivering strong results.
- ✦ ***Building more inclusive and effective partnerships for development:*** A generally positive change. Declaration has allowed for an explicit focus on / dialogue around aid relationships, rather than just the technical or financing aspects. A number of clear practical benefits being felt on the ground.

CONTRIBUTIONS TO DEVELOPMENT RESULTS

Assessed in four key areas, through **a careful three-question sequence:**

First, were development results achieved?

Second, did aid contribute?

Third, did aid reforms plausibly strengthen the aid contribution?

1. Results in specific sectors (health was the main case-study)

Declaration type measures have contributed to more focused, efficient and collaborative aid efforts in health. These efforts have already contributed to better development results since 2000-05, and should be sustainable. The pathways of improvement are indirect but clear. Not wide enough coverage of other sectors to draw strong conclusions.

2. Priority to the needs of the poorest (especially women and girls)

Little progress in most countries in delivering on these commitments. But evidence of some positive contributions by aid and some value-added by Declaration reforms. A powerful national commitment to change is a pre-requisite if aid is to help overcome entrenched inequalities.

CONTRIBUTIONS TO DEVELOPMENT RESULTS II

3. Strengthening institutional capacities and social capital

Insufficient capacity still a central obstacle to development - and aid could help more with this than it does. Modest contributions by aid and reforms to the long-term strengthening of institutional capacities. Clearer evidence for contributions to modest improvements in social capital.

4. Improving the mix of aid modalities

Evidence that employing a wider range of (especially joint) modalities, has improved contributions to development results in half the countries – especially at sector level. A mix of aid modalities has continued to make sense for all actors.

MAIN RECOMMENDATIONS I

A. For decision-makers in both partner and donor countries and agencies (at Busan and beyond):

1. Make the hard political choices and follow through
2. Focus on transparency, mutual accountability and shared risk management
3. Centre and reinforce the aid effectiveness effort in countries
4. Work to extend the aid reform gains to all forms of development cooperation
5. Reinforce the improved international partnerships in the next phase of reforms

MAIN RECOMMENDATIONS 2

B. For policymakers in partner countries:

1. Take full leadership and responsibility at home for further aid reforms
2. Set strategies and priorities for strengthening capacities
3. Intensify the political priority and concrete actions to combat poverty, exclusion and corruption

C. For policymakers in donor countries and agencies:

1. Match the crucial global stakes in aid and reform with better delivery on promises made
2. Face up to and manage risks honestly, admit failures
3. Apply peer pressure to 'free-riders' for more balanced donor efforts

All documents can be found on

www.oecd.org/dac/evaluationnetwork/pde

And

www.busanhlf4.org

Thank you for your attention

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